



ITEM REPORT
CITY COUNCIL

Agenda Date: 11/18/2025
Agenda Section: Consent Agenda

Department Origination: Public Works

Agenda Item: Approve the J.R. Ferche, Inc Partial Pay Estimate No. 3 in the amount of \$879,014.08 for the 2025 Design Road & TH 371 Stormwater Improvements Project, Municipal Project Number 4135

Approval Required: Simple Majority Vote

BACKGROUND

On April 15, 2025, the City Council awarded the project to J.R. Ferche, Inc in the amount of \$2,537,715.40.

Article 15 of the Standard General Conditions of the Construction Contract outlines the process for making progress payments to the Contractor. Progress payments for unit price contracts are made based on the number of units completed during the pay period. The application is reviewed and approved by the Contractor and Engineer prior to submittal to the City for processing.

Partial Pay Estimate No. 3:

The work in this pay period consisted of the remaining underground items, the remaining concrete work, bituminous paving and turf establishment. The work detailed above results in a payment of \$879,014.08.

FINANCIAL IMPLICATIONS

The Contractor has earned \$2,801,864.99 to date which represents 98.4% contract value. The retainage is 5% of revised contract value (\$142,397.33) and a previous payment of \$1,780,453.58, which results in a total payment of \$879,014.08.

PARTIAL PAY ESTIMATE	PAYMENT
PAY ESTIMATE 1	\$292,603.86
PAY ESTIMATE 2	\$1,487,849.72
PAY ESTIMATE 3	\$879,014.08
TOTAL	<u>\$2,659,467.66</u>

Budget Update

The current project budget is \$3,589,186.15. The table below breaks down of the change orders, current expenditures to date and the final projected project cost.

Budget Line Item	Project Budget	Added / Modified Items	Current Expenditures	Projected Final
Construction:	\$2,537,715.40		\$2,659,467.66	\$2,531,650.60
Change Order 1:		\$72,166.00	\$6,480.00	\$92,487.80
Change Order 2:		\$0.00		\$0.00
Change Order 3:		\$238,065.24		\$238,065.24
Contingencies	\$126,885.77			
Engineering	\$717,744.00		\$463,002.00	\$717,744.00
Bonding, Finance Admin., Mics.	\$206,840.98			\$213,330.75
Total	\$3,589,186.15	\$310,231.24	\$3,128,949.66	\$3,793,278.39

Based on the above project budget, the project is approximately \$204,092.23 over budget. Change order #3 is currently estimated to be \$75,598.69 of additional City cost and \$162,466.55 of eligible items to be paid with federal funds. Change Order #3 is still under review by MNDOT and has not been officially approved. The projected final budget has most of the items with the final quantity, there are still some items such as trees, turf establishment and striping that are estimated as those items are not final. There is additional quantity in the projected budget for turf establishment in the spring. The budget is also dependent on the Engineering Fees. Widseth is tracking to be under budget, but the project still has many items to still be completed as part of the Federal process. Widseth will continue to monitor and estimate the Engineering budget as the project continues.

STAFF RECOMMENDATIONS

The Utilities Commission and Staff have no concerns with the work completed this period and staff recommend making the progress payment as outlined in Partial Pay Estimate No. 3.

COUNCIL ACTION REQUESTED

MOTION to approve the J.R. Ferche, Inc Partial Pay Estimate No. 3 in the amount of \$879,014.08 for the 2025 Design Road & TH 371 Stormwater Improvements Project, Municipal Project Number 4135. Contingent on final MnDOT approval of Change Order 3.